



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN. No. 765 (1951)

October 22, 1982

SUBJECT: Servicing Cases Where Unauthorized
Loans or Financial Assistance Was Received

TO: All State Directors, District Directors,
County Supervisors and Director Finance Office

Recent audit reports and internal FmHA reviews have disclosed a number of cases in which FmHA loan and/or grant recipients have received loans, grants or other financial assistance that was determined to be improper or for which they were not eligible.

We have been advised by the Office of General Counsel (OGC) that FmHA must develop procedures for servicing these unauthorized loans or benefits. FmHA Instruction 1951-J, which will be applicable to all FmHA loan and grant programs, is being drafted and must receive clearance before publication.

Improper interest credits on Section 502 RH loans and improper Section 504 RH grants are presently covered in FmHA Instruction 1944-A and 1944-J, respectively. These instructions will continue to be followed for unauthorized assistance in these programs.

Pending publication of FmHA Instruction 1951-J, in all other cases where it appears unauthorized assistance has been provided, the evidence, case file, and the recommendation of the State Director will be forwarded to the appropriate Assistant Administrator. The evidence may be an audit or investigation report, program review by FmHA personnel, or other reliable information.

The Administrator will determine how each case will be serviced and advise the State Director.

CHARLES W. SHUMAN
Administrator

EXPIRATION DATE: October 31, 1983

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1951-A

